



Illinois Department of Revenue

Informational Bulletin

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This bulletin is written to inform you of recent changes; it does not replace statutes, rules and regulations, or court decisions.

Sales Tax Rate Changes for West Chicago

To:

All businesses engaged in the selling of titled or registered items in West Chicago

West Chicago's sales tax rate has changed.

Effective January 1, 2008, you will no longer have to collect the DuPage Water Commission Tax of 0.25%.

Effective January 1, 2008, a home rule tax of 0.25% has been imposed.

ST-556 Filers

Home rule sales tax does **not** apply to items that must be titled or registered by an agency of Illinois state government (reported on Form ST-556, Sales Tax Transaction Return.)

The new rate for items titled and registered will be 6.50%. This is a decrease of 0.25%. DuPage Water Commission Tax is no longer due on titled and registered items.

For the ST-556 forms that I have on hand, how do I show the new rate?

For the forms that you have on hand for sales made on or after January 1, 2008, you will need to subtract 0.25% from the rate that is preprinted below Line 4 of your Form ST-556. This will decrease your rate to 6.50%.

When will my ST-556 forms reflect the new rate?

ST-556 forms that are printed after January 1, 2008, will reflect the new combined rate preprinted below Line 4 of Form ST-556.

It will be necessary to adjust your cash register and any computer programs you use so that, on January 1, 2008, you will collect and pay the correct amount of tax.

If you use software to create the forms you file, that software must also be adjusted. You may need to contact your software vendor.

ST-1 Filers

The rate for general merchandise will remain at 6.75%. The new home rule sales tax rate is part of the combined rate that will be preprinted on Line 4a of Form ST-1, Sales and Use Tax Return, or Form ST-2, Multiple Site Form, as the general merchandise rate. The DuPage Water Commission Tax is no longer part of the combined rate.

It may be necessary to adjust your cash registers and any computer programs you use so that, beginning on January 1, you will continue to collect and pay the correct amount of tax.

What is taxed?

You must collect home rule sales tax on sales of **general merchandise** (reported on Line 4a of Form ST-1 and Form ST-2). The same items of general merchandise reported on Form ST-1 and Form ST-2 that are subject to state sales tax are also subject to home rule sales tax.

Home rule sales tax does **not** apply to sales of qualifying food, drugs, and medical appliances* (reported on Line 5a of Form ST-1 and Form ST-2.)

* 86 Ill. Adm. Code 130.310

How do I report a sale that was delivered earlier and therefore taxed at a different rate?

If the original sale was subject to a tax rate that is different from the rate due for Line 4a of Form ST-1 or Form ST-2, you must report these receipts on Line 8a.*

Note: Line 8a is to be used only to report receivables subject to a previous tax rate. No other use of this line is permitted.**

**86 Ill. Adm. Code 130.101 (a)